

Executive Summary

1.0 Study Overview & Objectives

- Thomas Consultants Inc. were appointed by Strathcona County Economic Development and Tourism to update a Retail Market Analysis that was originally conducted in 2010 and 2014. The Mustel Group was used as a sub consultant to conduct a telephone survey in order to sample population behavior in 2010.
- The objective of this study is to identify the supportable retail supply; optimal retail role & function; retail market voids; retail land use allocation, and consumer behavior in Strathcona County for the purposes of informing the County's economic development policy with respect to future retail land use.

2.0 Strathcona County Retail Market Context

- Strathcona County has a sizable population of high income households (nationwide it ranks as the 24th highest income census subdivision) with a significant per capita retail spend. The population of Strathcona County is well educated and employed across various professional career fields.
- With five thoroughfares connecting to Edmonton a large number of Strathcona residents work in the City, and due to the close proximity would drive specifically to Edmonton to meet retail needs that are underserved in the County.
- Determining the level of 'retail leakage' and how to curb it if it exists, is a fundamental question of this study.

3.0 Real Market: Supply Analysis

- Strathcona County features a total of 4.1 million sf of retail operating primarily within 7 key concentrated retail zones: Broadmoor Boulevard; Wye Road; Sherwood Drive South; Clover Bar Road; Baseline Road, Emerald Hills District, and Aspen Plaza.
- This retail is separated into 4 distinct formats: regional shopping centres; community-oriented centres; neighborhood centres and ancillary retail.
- The majority of this retail is identified as Comparison retail (1.5 million sf); followed closely by Convenience retail (1.5 million sf); Food & Beverage retail (450,000 sf); and Leisure & Entertainment (230,000 sf).

4.0 Retail Market: Demand Analysis

- Total retail floor space demanded from Strathcona County residents in 2017 is calculated at 4.3 million sf. This is forecasted to grow to 5.9 million sf by 2037.
- When adding inflow from communities to the east and west of the County, a baseline capture scenario adds an additional 420,000 sf of retail in 2018, climbing to just under 560,000 sf in 2037.
- It is important to note that long-term retail floorspace projections may vary with changing real estate, market conditions, and economic growth trends in Strathcona County and Edmonton as a whole.

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5.0 Retail Sales Gap Analysis & Recommendations

- Based on the Retail Supply and Retail Demand analysis, it has been determined that Strathcona County retail market in 2017 experienced a retail sales leakage of roughly 13%. This figure increased to 20% when accounting for inflow from north eastern Edmonton communities, as well as consumers in the rural populations west of Strathcona County.
- Retail leakage varies considerably across different retail categories. Some categories, such as “electronics and appliances” (65% of spending outflow) and “apparel” (36% of spending outflow) are underrepresented, while other categories such as “multimedia, books & music” and “home improvement” are overrepresented and oversupplied (88% and 18% negative outflow respectively). “Grocery & specialty retail” has a surplus of demand of 57,000 sf, while home improvement has a surplus supply of 70,000 sf.
- The gap analysis shows an overall retail oversupply in 2017 of 126,000 sf, however a significant portion of this oversupply is in the “services” category, and represents lower-order retail tenancies. Additional floorspace is supportable in several key categories. Categories that are underrepresented include comparison retail (‘apparel,’ ‘cosmetics, health, bath & beauty,’ ‘electronics & appliances,’ ‘sports & recreational goods,’) and food and beverage.
- An additional enclosed regional mall format is not recommended for the County, as it is expected that sales leakage into Edmonton for more sought out regional shipping centres would occur.
- Recommended retail formats for Strathcona County include hybrid or town centre-formats that include placemaking elements, encourage walkability throughout the development, and incorporate a variety of experience-driven destinations and community-oriented uses to draw customers in for different purposes.
- In terms of land use requirements at 0.3 FSR, a total of 95 acres in 2037. At 0.4 FSR, a total of 71 acres in 2037.

Retail Inventory Changes as of June, 2017

- Strathcona County Economic Development diligently tracks and analyzes commercial development in order to accommodate economic growth through attracting and expanding business activity.
- At the end of Q2 2017, there was an 11.3% vacancy rate overall (including new-to-market developments and existing inventory).
 - 129,985 square feet of gross leasable area was completed and available for occupancy during the first half of the year.
 - 53,000 square feet of retail developments remained under construction.
 - Notable retail developments completed (or under completion) include: Aspen Plaza’ Emerald Hills District (Emerald Hills Centre, Emerald Hills Site E, Emerald Hills Corner); and Broadmoor Heritage Plaza.
 - Notable new retail tenants include: Lowe’s, Sofa Land, River City Games, Bar Burrito, Bone & Biscuit, Fire Crust, Q-Nails, Wok Box, Tommy Guns, Peavy Mart, Canadian Tire.